

# **EXHIBIT 42**

**CONFIDENTIAL**

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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW HAMPSHIRE

SECURITIES AND EXCHANGE ) Civil Action No.  
COMMISSION, ) 1:21-cv-00260-PB  
Plaintiff, )  
)  
vs. ) VOLUME 1  
) (Pages 1 to 162)  
LBRY, INC., )  
Defendant. )  
\_\_\_\_\_ )

CONFIDENTIAL DEPOSITION OF  
JAMES A. GOLDSTEIN  
HELD VIA WEBEX  
FRIDAY, JANUARY 7, 2022  
9:36 a.m.

REPORTED BY:  
Jane M. Werner, RMR, CRR  
Massachusetts CSR No. 149008  
JOB No. 220107DWA

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1 you can answer. I share that objection. You can  
2 answer.

3 THE WITNESS: I can answer anyway?

4 MR. CADIGAN: Yes. That's just for the  
5 record.

6 A Can you repeat the question?

7 Q At any point, did Pillar obtain an interest in  
8 LBC?

9 A So let me explain. Sarah and I spent a lot of  
10 time with the company in that first year. And at one  
11 point, we went to Jeremy and said, "We are spending a  
12 tremendous amount of our time here. It's the most  
13 valuable thing that we have. We only own 6 percent of  
14 your company. That doesn't feel like enough to us. We  
15 would like to own more. We'd like more upside." And  
16 there was a bunch of back-and-forth discussion about  
17 that.

18 And at one point, Jeremy said, "Well" -- I  
19 don't remember his exact wording, but I remember the  
20 sentiment was, "We have this pile at LBC that we can use  
21 for people who help the development of the network. You  
22 guys have been helpful in developing the network. How  
23 about we give you 2 million LBC?"

24 And we said, "Okay, fine."

25 So we are owed 2 million LBC. We have never

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1 taken them. So they never left the company's vault. So  
2 that's why I say -- I don't remember the exact wording  
3 of your question -- but we've never owned an LBC.  
4 Pillar has never owned an LBC.

5 Q Is that how Pillar records the interest on its  
6 financial books?

7 A It is on our financial books. It's just never  
8 been in our possession.

9 Q So it's owned, according to Pillar's financial  
10 records; is that correct?

11 A Yes.

12 Q It's just not possessed at Pillar?

13 A Correct.

14 Q But it's owned by Pillar? The LBC is owned by  
15 Pillar, correct?

16 A Yes. From a financial perspective -- yeah, I  
17 guess from an accounting perspective, it's owned by us.  
18 We have just never taken possession of it. That's  
19 accurate.

20 Q So just getting back to Exhibit No. 37, I  
21 think the last sentence of the paragraph I was reading  
22 says, "In a sense, LBRY has a 'market capitalization' of  
23 100 million (400 million credits @ \$0.25 each) and the  
24 credit is moderately lifted."

25 How are you using "market capitalization"

1 COMMONWEALTH OF MASSACHUSETTS)

2 SUFFOLK, SS. )

3 I, Jane M. Werner, RMR and Notary Public in and  
4 for the Commonwealth of Massachusetts, do hereby  
5 certify that there came before me on the 7th day of  
6 January, 2022, at 9:36 a.m., the person hereinbefore  
7 named, who was by me duly sworn to testify to the truth  
8 and nothing but the truth of his knowledge touching and  
9 concerning the matters in controversy in this cause;  
10 that he was thereupon examined upon his oath, and his  
11 examination reduced to typewriting under my direction;  
12 and that the deposition is a true record of the  
13 testimony given by the witness.

14 I further certify that I am neither attorney or  
15 counsel for, nor related to or employed by, any  
16 attorney or counsel employed by the parties hereto  
17 or financially interested in the action.

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1 Under Federal Rule 30:

2 X Reading and Signing was requested

3 In witness whereof, I have hereunto set my hand  
4 and affixed my notarial seal this 11th day of January,  
5 2022.

6 

7  
8 Notary Public

9 CSR No. 149008

10 Commission expires 1/27/2028

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